

074 - TREASURER-TAX COLLECTOR

Operational Summary

Mission:

To provide efficient and effective investment, cash management and property tax collection services for the County, cities, special districts and school districts.

Strategic Goals:

- Manage and preserve the investment of all service recipient funds.
- To collect all property taxes for service recipients in accordance to applicable laws.

Key Outcome Indicators:

Performance Measure	2003 Business Plan Results	2004 Business Plan Target	How are we doing?
NET INVESTMENT RETURN. What: Obtain a portfolio yield that meets or exceeds the 90-day US T-Bill and money market benchmarks. Why: To continue to provide safe, efficient and effective investment returns for our clients.	Exceeded the 90-day US T-Bill benchmark by 40.06 basis points. Exceeded money market benchmark by 16.27 basis points.	Continue to exceed benchmarks.	On target.
ADMINISTRATION FEE CHARGED TO POOL PARTICIPANTS. What: To charge the lowest administration fee possible. Why: To provide a modest investment return to pool participants with minimum administrative costs.	Administration fee stayed at 12.50 basis points (i.e., 0.125%).	Administration fee to remain at 12.50 basis points (i.e., 0.125%).	On target.
RATING OF INVESTMENT POOL. What: Maintain highest rating. Why: To assure safest money market practices are being followed.	The Commingled and the Educational investment pools retained their credit ratings. Moody's: Aaa MR1 Fitch: AAA/V1+	Maintain credit ratings. Moody's: Aaa MR1 Fitch: AAA/V1+	On target.

At a Glance:

Total FY 2003-2004 Actual Expenditure + Encumbrance:	12,900,780
Total Final FY 2004-2005 Budget:	13,565,056
Percent of County General Fund:	0.55%
Total Employees:	92.00

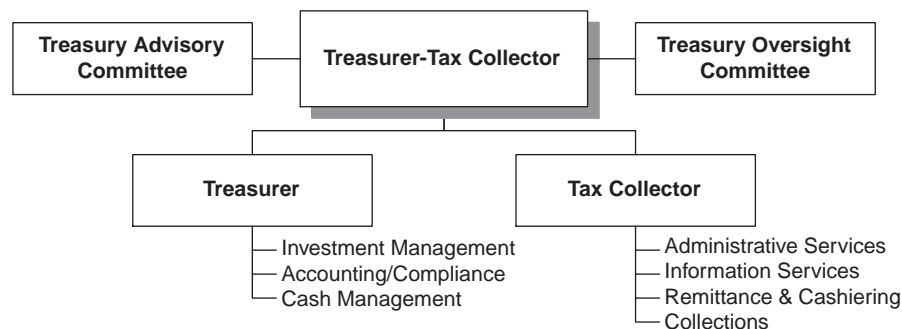
Key Outcome Indicators: (Continued)

Performance Measure	2003 Business Plan Results	2004 Business Plan Target	How are we doing?
STATE PROPERTY TAX COLLECTION RATES FOR SECURED AND UNSECURED PROPERTY. What: Exceed state property tax collection rates for Secured & Unsecured prop by minimizing unpaid taxes. Why: To maximize collections in property taxes for service recipients and County General Fund.	Collection percentage ratings for Secured and Unsecured taxes exceeded state median. Of the 58 counties in California, the County of Orange Secured tax collection improved from 5th to 2nd with a 98.7% collection. And Unsecured tax collection improved from 18th to 15th with a 97.1% collection.	To continue to exceed the state median.	On target.
INVESTED CASH POSITION (PERCENT OF AVAILABLE FUNDS INVESTED). What: Maintain a maximum invested cash position. Why: To enhance portfolio returns on invested cash by minimizing idle funds.	The average invested cash for the County was 99.82% and 99.86% for the Department of Education.	The average percent invested should remain constant in the 99.80%-99.90% range.	On target.

FY 2003-2004 Key Project Accomplishments:

- Implemented an Optima Document Analyzer. This application extracts the names and addresses from tax payment checks, and has improved our ability to issue property tax refunds.
- Obtained the following credit ratings on the Commingled and Educational investment pools: Aaa MR1 (Moody's) and AAA/V1+ (Fitch).
- Procured equipment necessary for the imaging of Human Resources / Personnel records.

Organizational Summary



TREASURER-TAX COLLECTOR - Provides centralized treasury and tax collection services for the County of Orange.

TREASURER - Responsible for the receipt, custody, depository, investment and recording of funds for the County, school districts and special districts. Responsibilities also include issuance of short-term debt on behalf of the County and school districts. In addition, this office acts as trustee in connection with unclaimed property and is responsible for the issuance, billing, collection, redemption and foreclosure of improvement bonds.

Investment Management: Provide portfolio management, broker/dealer relations, investment/economic research, liaison for oversight committees, and custody relation services.

Cash Management: Provide bank-related services and relationship management, cash optimization and forecasting, and financial electronic commerce solutions.

Accounting/Compliance: Provide financial reporting, fund accounting, general ledger reconciliations, bank reconciliations, investment accounting and compliance services, and defined benefit plan administration.

TAX COLLECTOR - Responsible for collecting taxes on all Secured and Unsecured property in Orange County. In addition, this office is responsible for the sale of property subject to the "power to sell," formerly known as delinquent tax deeded property. As well as collecting Annual Racehorse Taxes, Transient Occupancy Taxes, and Public Defender judgments, the Tax Collector also provides remittance processing services, information system services and departmental administrative support.

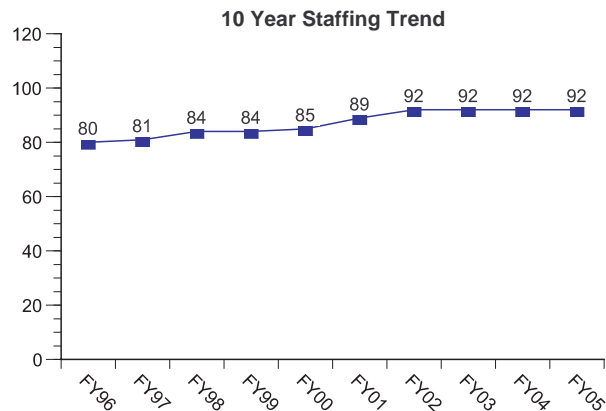
Collections: Provide centralized tax compliance services for delinquent unsecured tax collections, prior year secured property tax collections, Public Defender judgment collections, public information services, property tax problem payment processing and general correspondence.

Remittance & Cashiering: Provide automated remittance processing for all property tax rolls, refund accounting, tax roll accounting and cashiering for the Treasurer.

Administrative Services: Provide tax roll reconciliations, purchasing, contract administration, human resources, payroll services, budget, facility operations, telephone and network services for the Treasurer and Tax Collector Offices.

Information Services: Provide systems development and maintenance support for numerous Treasurer-Tax Collector applications required for the depositing, accounting, and collecting of funds.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- Since 1994-95, our department's staffing level has only changed by a net of one position. Due to the State's and County's budget fiscal constraints, we are planning to propose the elimination of one or two positions during Fiscal Year 2004-2005.
- Despite the modest increase in staffing during this time, as workloads have continued to grow (the number of real property tax bills increased from 717,000 to 783,000), our department has continued to excel in providing efficient and effective investment, cash management and property tax collection services for the County, cities, special districts and school districts, as evidenced by the following: 1) The highest ratings, Aaa MR1 (Moody's) and AAA/V1+ (Fitch), continue to be maintained for the investment pools; and 2) Collection percentage ratings for the Secured and Unsecured tax rolls continue to exceed the state median.

Budget Summary

Plan for Support of the County's Strategic Priorities:

The Treasurer-Tax Collector will continue to pursue all major year 2004 service plan goals in support of County strategic priorities. We will continue to provide an effective, responsive and competitive organizational and operating structure. Staff will work diligently to meet our core business responsibilities of collecting and investing, while supporting the successful implementation of new corporate programs.

Changes Included in the Base Budget:

Significant changes in the base budget include: a) Increase in Salaries and Employee Benefits by \$75,737 to enable us to attract and retain staff who are committed to maintaining the highest standards of public service; b) Decrease in Services and Supplies by \$951,889, primarily due to a reduction in merchant card services fees, and a corresponding reduction in revenues.

Final Budget and History:

Sources and Uses	FY 2002-2003 Actual Exp/Rev	FY 2003-2004 Budget As of 6/30/04	FY 2003-2004 Actual Exp/Rev ⁽¹⁾ At 6/30/04	FY 2004-2005 Final Budget	Change from FY 2003-2004 Actual	
					Amount	Percent
Total Positions	-	92	92	92	0	0.00
Total Revenues	9,539,182	10,744,311	9,671,890	9,868,159	196,269	2.03
Total Requirements	12,582,224	14,441,208	12,912,626	13,565,056	652,430	5.05
Net County Cost	3,043,042	3,696,897	3,240,736	3,696,897	456,161	14.08

(1) Amounts include prior year expenditures and exclude current year encumbrances. Therefore, the totals listed above may not match Total FY 2003-04 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Treasurer-Tax Collector in the Appendix on page 503.

Highlights of Key Trends:

- We are an administrative function that is task-oriented. We expect our investment results to consistently outperform our benchmarks. We will continue to provide our constituents with efficient and effective investment, cash management and property tax collection services.

Budget Units Under Agency Control

No.	Agency Name	Treasurer-Tax Collector	Treasurer	Tax Collector	Total
074	Treasurer-Tax Collector	397,997	4,528,525	8,638,534	13,565,056
107	Remittance Processing Equipment Replacement	349,959	0	0	349,959
	Total	747,956	4,528,525	8,638,534	13,915,015

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Summary of Final Budget by Revenue and Expense Category:

Revenues/Appropriations	FY 2002-2003 Actual Exp/Rev	FY 2003-2004 Budget As of 6/30/04	FY 2003-2004 Actual Exp/Rev ⁽¹⁾ At 6/30/04	FY 2004-2005 Final Budget	Change from FY 2003-2004 Actual	
					Amount	Percent
Intergovernmental Revenues	\$ 360,085	\$ 450,395	\$ 718,273	\$ 448,900	\$ (269,373)	-37.50%
Charges For Services	8,309,028	9,482,916	8,568,023	8,597,259	29,236	0.34
Miscellaneous Revenues	870,070	811,000	385,594	822,000	436,406	113.18
Total Revenues	9,539,182	10,744,311	9,671,890	9,868,159	196,269	2.03
Salaries & Benefits	5,653,804	6,397,302	6,134,657	6,473,039	338,382	5.52
Services & Supplies	7,462,370	8,745,560	7,030,077	7,141,985	111,908	1.59
Services & Supplies Reimbursements	(442,784)	(523,928)	(158,779)	(137,700)	21,079	-13.28
Fixed Assets	1,318	88,140	77,213	331,000	253,787	328.68
Other Financing Uses	200,000	200,000	200,000	200,000	0	0.00
Intrafund Transfers	(292,484)	(465,866)	(370,543)	(443,268)	(72,725)	19.63
Total Requirements	12,582,224	14,441,208	12,912,626	13,565,056	652,430	5.05
Net County Cost	\$ 3,043,042	\$ 3,696,897	\$ 3,240,736	\$ 3,696,897	\$ 456,161	14.08%

(1) Amounts include prior year expenditures and exclude current year encumbrances. Therefore, the totals listed above may not match Total FY 2003-04 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Final Budget Summary of Treasurer-Tax Collector:

Revenues/Appropriations	FY 2002-2003 Actual Exp/Rev	FY 2003-2004 Budget As of 6/30/04	FY 2003-2004 Actual Exp/Rev ⁽¹⁾ At 6/30/04	FY 2004-2005 Final Budget	Change from FY 2003-2004 Actual	
					Amount	Percent
Charges For Services	\$ 595,769	\$ 456,242	\$ 802,731	\$ 398,988	\$ (403,743)	-50.30%
Miscellaneous Revenues	0	0	15,482	0	(15,482)	-100.00
Total Revenues	595,769	456,242	818,213	398,988	(419,225)	-51.24
Salaries & Benefits	451,689	373,245	503,726	355,215	(148,511)	-29.48
Services & Supplies	309,075	115,750	430,596	39,488	(391,108)	-90.83
Fixed Assets	0	0	278	3,293	3,015	1,084.36
Total Requirements	760,764	488,995	934,599	397,996	(536,603)	-57.42
Net County Cost	\$ 164,995	\$ 32,753	\$ 116,386	\$ (992)	\$ (117,378)	-100.85%

Final Budget Summary of Treasurer:

Revenues/Appropriations	FY 2002-2003 Actual Exp/Rev	FY 2003-2004 Budget As of 6/30/04	FY 2003-2004 Actual Exp/Rev ⁽¹⁾ At 6/30/04	FY 2004-2005 Final Budget	Change from FY 2003-2004 Actual	
					Amount	Percent
Intergovernmental Revenues	\$ 360,085	\$ 273,078	\$ 718,273	\$ 448,900	\$ (269,373)	-37.50%
Charges For Services	6,106,548	6,363,210	5,931,778	4,778,623	(1,153,155)	-19.44
Miscellaneous Revenues	0	0	1,200	0	(1,200)	-100.00
Total Revenues	6,466,632	6,636,288	6,651,251	5,227,523	(1,423,728)	-21.41
Salaries & Benefits	1,119,963	1,354,108	1,218,826	1,295,213	76,387	6.27
Services & Supplies	4,447,773	5,309,827	3,380,624	3,312,451	(68,173)	-2.02
Services & Supplies Reimbursements	(442,784)	(523,928)	(158,779)	(137,700)	21,079	-13.28
Fixed Assets	0	78,500	1,043	117,566	116,523	11,175.48
Other Financing Uses	200,000	200,000	200,000	200,000	0	0.00
Intrafund Transfers	(253,036)	(285,166)	(212,666)	(259,000)	(46,334)	21.79
Total Requirements	5,071,915	6,133,341	4,429,048	4,528,530	99,482	2.25
Net County Cost	\$ (1,394,717)	\$ (502,947)	\$ (2,222,203)	\$ (698,993)	\$ 1,523,210	-68.55%

Final Budget Summary of Tax Collector:

Revenues/Appropriations	FY 2002-2003 Actual Exp/Rev	FY 2003-2004 Budget As of 6/30/04	FY 2003-2004 Actual Exp/Rev ⁽¹⁾ At 6/30/04	FY 2004-2005 Final Budget	Change from FY 2003-2004 Actual	
					Amount	Percent
Intergovernmental Revenues	\$ 0	\$ 177,317	\$ 0	\$ 0	\$ 0	0.00%
Charges For Services	1,606,711	2,663,464	1,833,514	3,419,648	1,586,134	86.51
Miscellaneous Revenues	870,070	811,000	368,912	822,000	453,088	122.82
Total Revenues	2,476,780	3,651,781	2,202,425	4,241,648	2,039,223	92.59
Salaries & Benefits	4,082,152	4,669,949	4,412,105	4,822,611	410,506	9.30
Services & Supplies	2,705,523	3,319,983	3,218,857	3,790,046	571,189	17.75
Fixed Assets	1,318	9,640	75,893	210,141	134,248	176.89
Intrafund Transfers	(39,448)	(180,700)	(157,876)	(184,268)	(26,392)	16.72
Total Requirements	6,749,545	7,818,872	7,548,978	8,638,530	1,089,552	14.43
Net County Cost	\$ 4,272,764	\$ 4,167,091	\$ 5,346,553	\$ 4,396,882	\$ (949,671)	-17.76%